

Written testimony of David Gable, President, Hocon Gas inc., 6 Armstrong Road, Shelton, CT 06484, 203-925-0600, before the Energy and Technology Committee of the Connecticut General Assembly on March 8, 2011.

Reference: RAISED BILL NO. 1080: AN ACT CONCERNING THE REGULATION OF PROPANE

Senator Fonfara, Representative Nardello, and other distinguished members of the Committee, My name is David Gable. I am the president of the Connecticut Propane Marketers Coalition and the president of Hocon Gas inc., a second generation retail propane supplier based in Shelton, CT with five locations and 120 employees.

Energy used to be a somewhat stable boring industry but de-regulation has changed the landscape. Seeing an opportunity to provide a more comprehensive array of energy services, we began a company to provide electricity to our customers called Discount Power. In one year's time, we have grown to over 30,000 customers saving them an estimated \$4,500,000 in electricity costs.

The point I would like to make is that the State of Connecticut has spent a significant amount of time and energy de-regulating the generation portion of electricity and it is working. Raised Bill 1080 seems to be at odds with this goal when it comes to the propane industry.

Connecticut currently enjoys the lowest average propane heating price of any contiguous northeast state as reported by the Department of Energy. A comparison is attached. This is the result of active competition in the Connecticut marketplace and in fact some 15 oil marketers have entered the propane market in the past two years alone, just in Connecticut. I believe more oil companies will consider doing the same in the future, but this bill will no doubt impede that consideration. It occurs to me that the lack of competition that had existed in the electricity industry prior to de-regulation will end

up having a detrimental effect on the propane consumer should we attempt to try regulation as the solution.

Rather than deciding to unilaterally initiate the process of regulating the industry, I think it would be in the consumer's best interest to have government and industry work together in an attempt to identify and fix what is presumed to be broken before going down a path we might ultimately regret.

I thank you for the opportunity to speak and would be happy to answer any questions.

U.S. Energy Information Administration - EIA - Independent Statistics and Analysis

PETROLEUM & OTHER LIQUIDS

GLOSSARY: FAQs:

Weekly Heating Oil and Propane Prices (October - March)

(Dollars per Gallon)

Area: Connecticut

Period: Weekly

Show Data By:								
<input checked="" type="radio"/> Data Series	<input type="radio"/> Area	01/24/11	01/31/11	02/07/11	02/14/11	02/21/11	02/28/11	View History
Residential Heating Oil		3.682	3.670	3.717	3.708	3.772	3.850	1990-2011
Wholesale Heating Oil		2.768	2.833	2.828	2.847	2.868	3.058	1990-2011
Residential Propane		3.057	3.108	3.120	3.131	3.147	3.175	1990-2011

Area: New York

Period: Weekly

Show Data By:								
<input checked="" type="radio"/> Data Series	<input type="radio"/> Area	01/24/11	01/31/11	02/07/11	02/14/11	02/21/11	02/28/11	View History
Residential Heating Oil		3.657	3.702	3.748	3.754	3.781	3.851	1990-2011
Wholesale Heating Oil		2.785	2.840	2.847	2.848	2.855	3.077	1990-2011
Residential Propane		3.288	3.308	3.326	3.341	3.357	3.411	1990-2011
Wholesale Propane		1.530	1.645	1.518	1.627	1.573	1.662	1990-2011

Area: New Jersey

Period: Weekly

Show Data By:								
<input checked="" type="radio"/> Data Series	<input type="radio"/> Area	01/24/11	01/31/11	02/07/11	02/14/11	02/21/11	02/28/11	View History
Residential Heating Oil		3.580	3.623	3.659	3.656	3.712	3.837	1990-2011
Wholesale Heating Oil		2.728	2.800	2.786	2.804	2.818	3.015	1990-2011
Residential Propane		3.852	3.966	3.959	4.021	3.997	3.923	1990-2011
Wholesale Propane		1.710	1.720	1.700	1.680	1.720	1.930	1990-2011

Area: Rhode Island

Period: Weekly

Show Data By:								
<input checked="" type="radio"/> Data Series	<input type="radio"/> Area	01/24/11	01/31/11	02/07/11	02/14/11	02/21/11	02/28/11	View History
Residential Heating Oil		3.446	3.502	3.587	3.680	3.571	3.734	1990-2011
Wholesale Heating Oil		2.771	2.822	2.834	2.834	2.850	3.056	1990-2011
Residential Propane		3.850	3.901	3.909	3.911	3.908	3.701	1990-2011

Area: Massachusetts

Period: Weekly

Show Data By:								
<input checked="" type="radio"/> Data Series	<input type="radio"/> Area	01/24/11	01/31/11	02/07/11	02/14/11	02/21/11	02/28/11	View History
Residential Heating Oil		3.534	3.590	3.657	3.663	3.696	3.834	1990-2011
Wholesale Heating Oil		2.757	2.865	2.865	2.890	2.915	3.083	1990-2011
Residential Propane		3.295	3.353	3.376	3.357	3.357	3.372	1990-2011

-- No Data Reported; -- Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Weekly heating oil and propane prices are only collected during the heating season which extends from October through March. See Definitions, Sources, and Notes link above for more information on this table.

Release Date: 3/22/11

Next Release Date: 3/22/11